M-L

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|---|---|---|---|
| 09/828,446 | 04/05/2001 | Von E. Fagan | 108298612US | 6899 |

25096 7590 01/18/2007

PERKINS COIE LLP
PATENT-SEA
P.O. BOX 1247
SEATTLE, WA 98111-1247

| EXAMINER | |
|---|---|
| RUHL, DENNIS WILLIAM | |
| ART UNIT | PAPER NUMBER |
| 3629 | |

| SHORTENED STATUTORY PERIOD OF RESPONSE | MAIL DATE | DELIVERY MODE |
|---|---|---|
| 3 MONTHS | 01/18/2007 | PAPER |

**Please find below and/or attached an Office communication concerning this application or proceeding.**

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

| Office Action Summary | Application No. | Applicant(s) | |
|---|---|---|---|
| | 09/828,446 | FAGAN, VON E. | |
| | Examiner | Art Unit | |
| | Dennis Ruhl | 3629 | |

*-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --*

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

1)☒ Responsive to communication(s) filed on 10/18/06

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

4)☒ Claim(s) *1-21 and 38-41* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-21 and 38-41* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

**Application Papers**

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

Applicant's response of 10/18/06 has been entered. Currently, claims 1-21,38-41 are pending. The examiner will address applicant's remarks at the end of this office action.

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

2. Claims 1-21,38-41, are rejected under 35 U.S.C. 103(a) as being unpatentable over "Polytechnic University, Notebook Computer Lease Agreement, Fall 2000 " in view of . "*Leasing software: A familiar tool gains new life*" (Jan/Feb 2000).

For claims 1,6,11,16,19-21, Polytechnic discloses a method of providing computer equipment to a customer. The customer is the student that the notebook computer is being leased to. The Polytechnic University obtains notebook computers and installs certain computer programs on the computer prior to delivery to the student (the "Included Programs" and proprietary programs). The installed software is interpreted by the examiner to be the "at least one computer component" that is installed into the computer. Computer software is one component that makes up a computer. The step of receiving an indication of an available piece of computer equipment is considered to be the receipt of the lease agreement by the student and admission to the school. This is an indication that a computer is available to the

student. Applicant is referred to the "Refund Upon Premature Departure" portion of the lease. This portion discloses that the student may terminate the lease if they must leave school for some reason. The document discloses that the computer is owned by the school until such a point in time that the student graduates, so if a student pays the $4000 in payment option C, and leaves school early, this is considered to be termination of the lease. The lease continues until the student graduates, then the student may purchase the computer for $1.

Not disclosed is that a database is updated to reflect the lease of the computer component (the installed software) from a computer vendor. Also not disclosed is that a database is updated to reflect the lease of the assembled computer to the student and that the database is updated to reflect return of the computer (in the case where the student terminates the lease early).

With respect to the leasing of the computer component (the software), the article "*Leasing software: A familiar tool gains new life*" discloses that in the year 2000, the idea of leasing software was becoming more common. The leasing of computer software allows the customers to hold onto their working capital as opposed to having to purchase the software outright, which can be expensive. This also allows the customer to be able to afford software that they would not otherwise be able to afford due to the high costs involved. The article discloses that the leasing of software has increased over 40% since 1997. The high costs associated with software is disclosed as a driving force behind the increase in the leasing of software. The leasing of computer software is old and well known in the art and is considered obvious. Because the University has

to somehow obtain the software that they are going to install into the notebook computer (i.e. Microsoft Office or Excel Spreadsheet ™), it would have been obvious to one of ordinary skill in the art at the time the invention was made to have Polytechnic University lease some of the various software programs that they are going to install onto the notebook computers from a computer vendor so that they would not have to purchase the software themselves. This would allow the University to hold onto more of their working capital instead of having to spend it on the software. Having to purchase 300 copies (for 300 students) of software that costs $200 each would costs the University up to $60,000 (at the very least tens of thousands of dollars with some kind of volume discount). By leasing the software, the University would not need to spend all that money on the software purchase, but could retain some of the money for other activities.

With respect to the updating of a database for both the lease of the computer component and the leasing and return of the equipment from a customer, it would have been obvious to one of ordinary skill in the art at the time the invention was made to create a database of some kind to keep track of the computer components leased, as well as to keep track of all the students and the computers that have been leased to the students and to keep track of any returned computers. This is simply the act of record keeping, which is very obvious to one of ordinary skill in the art.

With respect to the newly added limitation that recites the *ceasing to pay the vendor the periodic payment in response to the computer being received back from the customer* (claims 1,11,16), the examiner takes "official notice" of the fact that early

termination fees are commonly used in lease arrangements. Paying an early terminal fee allows one to get out of a lease early as is old and well known in the art. One of ordinary skill in the art would have found it obvious to provide lease arrangement between the school and the vendor with an early terminal fee for terminating the lease early in the event the customer returns the computer early, so that the vendor can receive some kind of compensation from the school when the lease is terminated early. The language of these claims allows for another kind of fee to be paid, a payment that is other than the periodic payment, so the payment of an early termination fee falls into the scope of the claim because this kind of payment is not excluded from the claim scope.

For claims 1,6,11,16,19-21, as an alternate interpretation on the claim language in addition to the preceding paragraph, and with respect to the limitation that when the computer is returned by a customer early the school ceases to pay the vendor the periodic payment until such a time when the computer can be re-leased to another student, this is considered to be obvious. The examiner takes "official notice" that it is old and well known in the art to have a "miss a payment" feature for loans and other financial payment contracts. This feature allows a person to miss one or more loan payments in the event that funds are low at that time. This is old in the art. It would have been obvious to one of ordinary skill in the art at the time the invention was made to provide the lease arrangement between the school and the vendor with a "miss one or more payments" option, so that in the event the school has a customer return a computer early, the school can stop making payments until a point in time the school re-

leases the computer to a 2nd student. This would allow the school to miss a vendor payment when they are not receiving a payment from the customer.

For claims 2,4,18, in the event a student (first student) was to leave school early and returned the computer prior to departure, it would have been obvious to one of ordinary skill in the art at the time the invention was made to lease the computer to another student that would take the open spot just vacated by the first student. Students leave school all the time and are replaced by new students all the time so releasing the computer to a 2nd student is considered obvious.

For claims 3,5,11,15,19, having multiple payments over a period of time, with each payment being the total cost divided by the number of payments, and an interest rate (which could be zero) is considered obvious and is how leases are structured. A lessee makes periodic payments over the period of time the item is leased. When the last payment is made, this is a step of indicating the purchase of the equipment. The last payment is the amount needed to pay off the lease and take ownership of the equipment.

Additionally for claims 3,4, following the obviousness rationale set forth for claim 1 (the use of a database for leasing information), it follows that the database would also be used to track lease payments to the vendor as claimed and would be updated to indicate purchase of the software (paid in full) when the lease period ends.

For claims 7,8, not disclosed is that the database is updated to reflect payments as recited in claim 7. It would have been obvious to one of ordinary skill in the art at the

time the invention was made to record in the database the payments received. This is what is called "Accounts receivable" in accounting and is very well known and obvious.

For claim 8, not disclosed is that each payment is less than the previous payment. It would have been obvious to one of ordinary skill in the art at the time the invention was made to structure the payments so that each payment was smaller than the previous payment so that the school could get more money earlier in the term of the lease, rather than getting it at even increments. The examiner takes notice that the final result will be the same no matter how the payments are structured, namely that the balance will be paid off.

For claim 9, not disclosed is that the computers are refurbished after being returned and that one is transmitted to another customer. The claimed "refurbishing" is broad claim language and can be interpreted to mean any kind of upgrading of software or even physical cleaning of the computer itself. It would have been obvious to one of ordinary skill in the art at the time the invention was made to refurbish the computers that are returned so that when one is leased to a new student it will be in good working order and is a clean condition. Transmission of the computer is considered obvious as has already been addressed by the examiner in the case where a 1st student leaves school early and the computer is leased to a 2nd student.

For claim 10, the examiner considers the indicating of a payment of an interest fee to be the payment of the $1 at the end of the lease and after student graduation. The $1 is a fee and can be considered an interest fee as claimed. Alternatively, it would have been obvious to one of ordinary skill in the art to charge the school an interest fee

when the school leases the computers, as is well known in the art. Leases commonly have interest fees built into the lease.

For claims 12,13,19, in the event a student (first student) was to leave school early and returned the computer prior to departure, it would have been obvious to one of ordinary skill in the art at the time the invention was made to lease the computer to another student that would take the open spot just vacated by the first student. Students leave school all the time and are replaced by new students all the time so releasing the computer is obvious.

For claim 14, when a student leaves school early and terminates the lease early, when the student is using payments options A or B, the student will cease making payments as claimed. With respect to the limitation of "ceasing to pay the vendor for the computer component", at some point the school will cease payments as claimed.

For claim 17, the examiner considers claimed "total amount" to a first lease payment. The 103 rejection set forth by the examiner results in a database being updated to reflect lease payments and after an initial payment is made (the total amount of the first payment) continued payments will be made as claimed.

For claims 38-41, not disclosed is that the leased component is one of the claimed types of devices, such as a storage device or an input/output device such as a wireless mouse or keyboard. The prior art rejection and the prior art discuss the advantages of leasing and why one of ordinary skill in the art would be motivated to have the school lease a component of a computer from a vendor. This teaching extends to other types of computer components other that just software. The

advantages and benefits would be realized by leasing other components from a vendor as well, such as external hard drives for increased memory capacity. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have the leased component be an input/output device or a storage device, so that the school could also secure other components by leasing instead of an outright purchase. The examiner believes the prior art teaches the desirability of leasing a component and from that teaching the kind of component that is leased is something that would have been obvious to one of ordinary skill in the art.

3. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. "How to let your resident off the hook....easily", "The true costs of leasing", "Consumers should examine car leasing deals closely", "Rebates, discounts sweeten mortgages", "Very Interesting offers fuel spring lending fever" disclose the well known idea of having early termination fees or miss a payment option that is cited in support of the taking of official notice by the examiner in the prior art rejection of record.

4. Applicant's arguments with respect to claims 1-21,34-37, have been considered but are found to be non-persuasive. The argument for patentability is based on the limitation concerning the ceasing to pay the vendor the periodic payment, something that is addressed in the rejection of record. No further comments are necessary from the examiner as this limitation is fully addressed in the rejection of record.

5. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dennis Ruhl whose telephone number is 571-272-6808. The examiner can normally be reached on Monday through Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 571-272-6812. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

DENNIS RUHL
PRIMARY EXAMINER